

# Marketing communications as a strategic function



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# Introduction

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In this course, we emphasise the strategic importance of marketing communication, rather than seeing it as merely a tactical process of promoting the other elements of the marketing mix. Brands exist in the minds of customers not only through their experience of a product or service, but also because of the long-term effects of communication.

Traditional marketing models fail to capture the complexity of contemporary consumer behaviour. Simple cause and effect can no longer be relied upon as a predictive guide for consumers or markets. Established communication models, particularly those which picture communication as a magic bullet fired at the customer's mind to ensure compliance with marketing plans, are similarly inadequate. Instead, both academics and practitioners are embracing models which acknowledge the autonomy and unpredictability of customers.

Communication is, of course, essential in any relationship. Building and managing relationships with consumers and customers has a direct bearing on marketing communications. Marketing communications helps define an organisation's relationships with customers not only by the kind of messages exchanged, but also by the choice of media and occasion to suit their customers' preferences.

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# Learning Outcomes

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After studying this course, you should be able to:

- demonstrate an understanding of the strategic importance of communications in a competitive environment.

# 1 Barriers to a strategic view

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Marketing communications is not always accepted as having strategic importance in organisations. This course examines some of the reasons for this, before exploring some recent arguments in favour of a strategic role for marketing communications.

One reason for seeing marketing communications as tactical rather than strategic is that much of its development and execution has been outsourced to marketing services agencies offering a range of specialisms (such as design, creative consultancy or sales promotion). This casts some doubt on its position as a core competence. Furthermore, much advertising and promotion thinking risks being short to medium term because the people and organisations involved are constantly changing.

Traditional rivalries between marketing communications disciplines (such as media advertising and public relations), and compartmentalised thinking amongst both clients and their agencies, have acted as a barrier to a holistic approach to the consumer. Schultz, et al. (1994) point out that planning marketing communications as if the different ways of reaching the consumer exist in isolation is essentially an organisation-centred view of marketing. A customer-centred view would acknowledge that customers pay scant regard to whether the communication in question is through advertising, public relations or any other channel. Communications are received (or not) depending on their relevance, timeliness, convenience and consistency with other messages. Integrated marketing communications, an approach which has gained considerable academic and practitioner endorsement since the 1990s, attempts to take the customer, not the organisation, as its starting point in designing a seamless web of communication. But the difficulty of its genuine implementation is another pointer towards why marketing communications can often be limited to a tactical rather than a strategic role.

## 2 The changing role of communications

Butterfield (1997) argues that the hierarchical model of planning which has traditionally placed communications alongside the other variables of the marketing mix is due for a rethink. This model starts with corporate strategy, which translates into a number of functional strategies (including marketing). It sees marketing communications as a subset of marketing strategy. Butterfield suggests that, because of the increased importance of company-wide brand values in providing competitive advantage, marketing is becoming a way of delivering a communications strategy, rather than the other way round. He points to firms such as Virgin or BMW where the company brand subsumes separate offerings, or to firms like the Body Shop where company values provide competitive differentiation. As in Figure 1, 'in this 'new' model, communications starts with the company, and marketing becomes part of the 'delivery mechanism' for the communications strategy.' (Butterfield, 1997, p. 87).

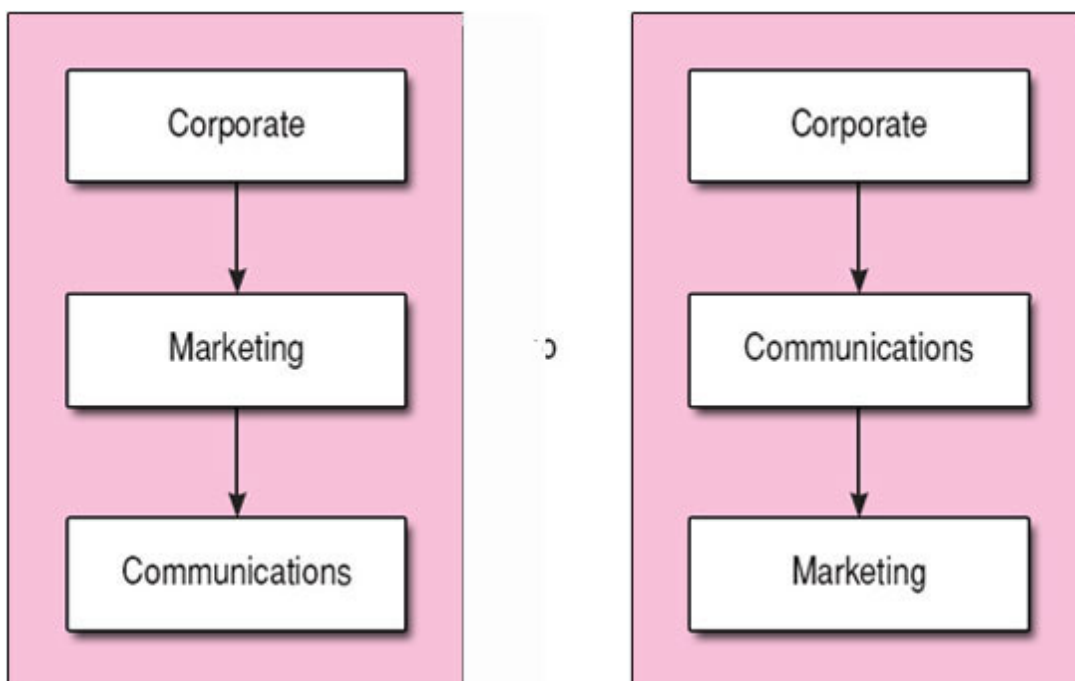


Figure 1 Redefining the strategic position of marketing communications. (Source: Butterfield, 1997, p. 87)

This does not mean that all marketing communication is automatically elevated to a strategic role. There is still a distinction to be made between tactical communications in support of specific marketing initiatives and strategic communications which emanate from the highest levels of the corporation to inform all its activities. However, it does support the view that communication is qualitatively different from the other elements of the marketing mix, or, as Butterfield puts it: 'perhaps the classic marketing functions of product, price and distribution are today increasingly 'hygiene factors' whereas communications is a higher order tool'. Hygiene factors, according to Herzberg's classic theory of motivation, are what we take for granted in a situation. Their presence satisfies our basic needs, and we would notice their lack, but they do not have the power to motivate. As customers have become more sophisticated the competitive focus in marketing has moved upwards to benefits like image, self-expression and the assurance



of quality. While the rest of the marketing mix needs to be securely in place to deliver these, effective communication of such benefits is becoming the key differentiator. This is particularly the case in companies with pervasive brand values, but it may mean a change in how all marketing departments see themselves:

‘Communications will stand above other elements of the marketing mix in these companies because it will define what the company stands for (its vision) and it is tasked with expressing that on behalf of the corporation: whether that be directly to stakeholders (employees, stakeholders, *et al.*), via PR, or through advertising etc. to customers. By contrast, marketing in those companies will be charged with physically delivering the corporate vision, via its products, to the end user....

Marketing departments have got used to the idea of the tactical integration of communications messages *across* different media. Increasingly in the future they will have to embrace the idea of strategic *vertical* integration – speaking with one voice from the CEO’s office right down to the supermarket shelf – even though such a realignment may eclipse their former pre-eminent role.’

(Butterfield, 1997, p. 88)

What are the implications of this vision of vertically-integrated marketing communications? An obvious one is the importance of integrating internal and external marketing communications. An organisation’s employees are highly credible ambassadors to its external publics – both in what they say to their communities and the service they provide to their customers. Both word of mouth and performance can be enhanced to the benefit of the organisation by a sustained programme of internal marketing. A second implication of the strategic vertical integration envisaged by Butterfield is the importance of developing distribution channels as conduits of information as well as of goods and money. Marketing communications writers frequently differentiate between ‘push’ and ‘pull’ strategies. ‘Push’ strategies (trade promotion and personal selling) offer incentives to distribution intermediaries to stock and actively merchandise products, pushing them towards the end user. ‘Pull’ strategies, on the other hand, use consumer-directed techniques (e.g. advertising and sales promotion) to stimulate demand in order to pull the product, or service, through the channel. The ‘push’ metaphor rankles with the accepted marketing wisdom of finding a need and satisfying it, rather than trying to impose what you have on a reluctant customer. Sustainable relationships between marketers and distribution intermediaries need to be based on mutual advantage, not power imbalance. It is likely, therefore, that a more vertically-integrated approach to communications will involve a blurring of the lines of demarcation between marketer and intermediary. Electronic data interchange (EDI) and the use of intranets are symptoms of this development in practice, as traditional distribution intermediaries are complemented, and in some cases replaced, by a new breed of ‘infomediaries’ connecting marketers to customers.

Push and pull strategies are not mutually exclusive. For example, an advertising campaign directed solely at the end user will be seen by intermediaries, bolstering their confidence in stocking the brand concerned. Fill (2002, p. 295) adds a further generic strategy: ‘profile’, which focuses on corporate image and reputation, internally, externally, or both. Techniques here include public relations, sponsorship and advertising aimed at developing a corporate brand. Again, this is hardly likely to be a watertight strategy in terms of what is received by the customer or intermediary. Yet, as Fill points out, the people responsible for each type of strategy (even if all three exist simultaneously) are



likely to work independently of one another in most organisations. This situation is perhaps the major barrier to effective vertical integration of the kind envisaged by Butterfield – just as the proper integration of external marketing communication across different media and techniques is threatened by the various interests and territories involved.

Schultz and Kitchen (2000) propose a number of useful concepts for analysing and developing effective marketing communications strategy within the complexity of the contemporary market environment. As we have already observed, while it is necessary to operationalise marketing communications strategy by combining a number of different disciplines and media, customers experience brands in their own terms. In order to communicate in a customer-centred way, organisations need to consider how their brand messages are received. Figure 2 suggests some of the ways in which customers establish a view of your brand:

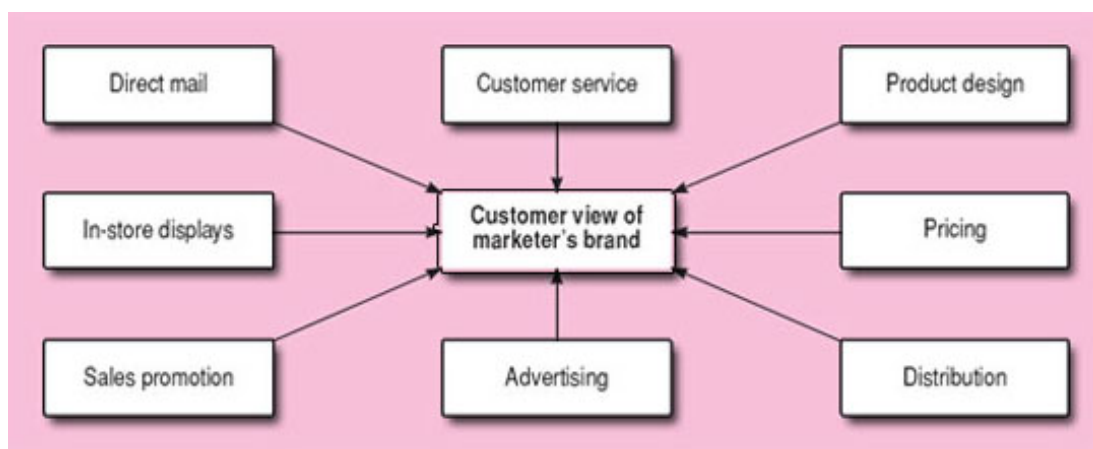


Figure 2 How customers receive marketing communications. (Source: Schultz and Kitchen, 2000, p. 110)

The diagram selects eight sources of marketing communications, but clearly there are as many as customers have ways of hearing about, seeing, or experiencing your brand. Public relations, sponsorship, word of mouth, packaging, signage, different forms of media advertising and sales promotion activity, internet searches, text messages, even litter in the streets – the list is extensive, and only partially controllable. This uncertainty makes it all the more important to think through brand contact points thoroughly, in order to gauge their potential implications. Schultz and Kitchen maintain that an organisation can improve its management of this process by a careful consideration of the different ways in which customers come into contact with the brand – offering a standardised chart, the Brand Contact Audit, as a framework for action planning (Table 1).

**Table 1 Brand contact audit chart**

Brand contact audit						
Target Segment:						
Contact points	Expectation at each	Experience at each	Message sent	Positive or negative	Importance of contact	Target for improvement

Source: Schultz and Kitchen, 2000, p. 101.

Each row of cells considers a particular contact point. Service marketers have learned to measure customer satisfaction by asking customers to rate their experiences relative to their expectations of different aspects of the service (Parasuraman, et al., 1985). The brand contact audit process adopts a similar approach, taking into account how the source of information in each case has performed against expectations. The resulting insights can lead to some surprises:

‘Often we have found that contacts assumed to be positive were not positive at all. Knowing the types of existing brand contacts will do much to assist the communication planner in developing effective programs, especially in foreign cultures.’

(Source: Schultz and Kitchen, 2000, p. 101.)

### Activity 1

Using the following grid, list up to five ways in which you come into contact with a brand of which you are a regular customer. This may be in the context of your personal consumption, or your professional life as a customer.

#### Brand contact audit

Contact points	Expectation at each	Experience at each	Message sent	Positive or negative	Importance of contact	Target for improvement

Are there any areas where this audit reveals the brand in question could do better with its communications?

As a follow up to this exercise, interview one of your own customers about how they encounter your brand. You may find, like Schultz and Kitchen, that the exercise produces some surprises.

### Answer

An exhaustive list of all the ways in which customers come into contact with brands is salutary in reminding us of the complex web of marketing communications, but is of limited usefulness if we cannot do anything with the information. This exercise is most useful when the contacts are prioritised not only by how important they are to the customer but also by how much scope they offer the organisation for action.

## 3 The changing role of communications: customer preferences

Finding out how customers access marketing communications reveals their preferences in receiving information. As active recipients of brand messages, they can screen out the irrelevant and the inconvenient. Observing their preferences in this regard can be a source of genuine competitive advantage, as demonstrated in Example 1.

### Example 1: E-detailing

American pharmaceutical companies spend roughly \$8 billion a year on an army of 63,000 sales reps, yet only 60% per cent of their visits to medical practices reach the actual doctor. Only one in ten such meetings lasts more than two minutes. While they need to know about new prescription drugs which might offer benefits to their patients, time-pressure means that salespeople get sidelined.

This is frustrating for pharmaceutical companies in a highly competitive market. The answer is to find ways of reaching doctors more conveniently. Electronic media are proving a popular choice. The American term for telling doctors about new drugs is 'detailing' – so the use of new technology for this purpose has swiftly been dubbed 'e-detailing', and has attracted a number of specialist communications agencies into the field.

One such firm, ePocrates, sends brief details of new products to doctors via their Personal Digital Assistants – a popular productivity tool amongst American professionals. In keeping with permission-led electronic marketing communication, the system requires an active response from the recipient. If the doctor is interested in the product, he or she sends a message to the manufacturer requesting a fuller brief.

Source: adapted from Economist (2001)

Considering customer preferences makes communications more effective – and more economical. Failure to follow consumers' changing media preferences can be expensive. 1980s America saw a boom in cable TV audiences while advertisers, locked in their existing patterns of expenditure, continued to chase them on the big networks. The results were spiralling advertising costs in search of diminishing network audiences. Advertisers who made an early entrance into the cable market reaped considerable advantages as a result.

Schultz and Kitchen suggest that a further way of improving communications strategy is to think through the timing and context of messages from the point of view of the customer. When is the message most likely to be relevant? And where is the receiver most likely to be receptive of it? Understanding seasonal trends and purchasing cycles or usage patterns can help us maximise its relevance. But considering customer preferences through the brand contact audit can also indicate the points at which the customer is most receptive to the message. It may be, for example, that you are considering purchasing a new car. Marketing communications from a car dealership are therefore likely to be relevant to you. However, by choosing to contact you at home by telephone when you are preoccupied with domestic matters, the dealership has ignored your receptivity to the message. A direct mail shot, perhaps inviting you to the launch of a new model, might find

you in a more receptive frame of mind. Figure 3 illustrates the relevance/receptivity distinction with some more examples.

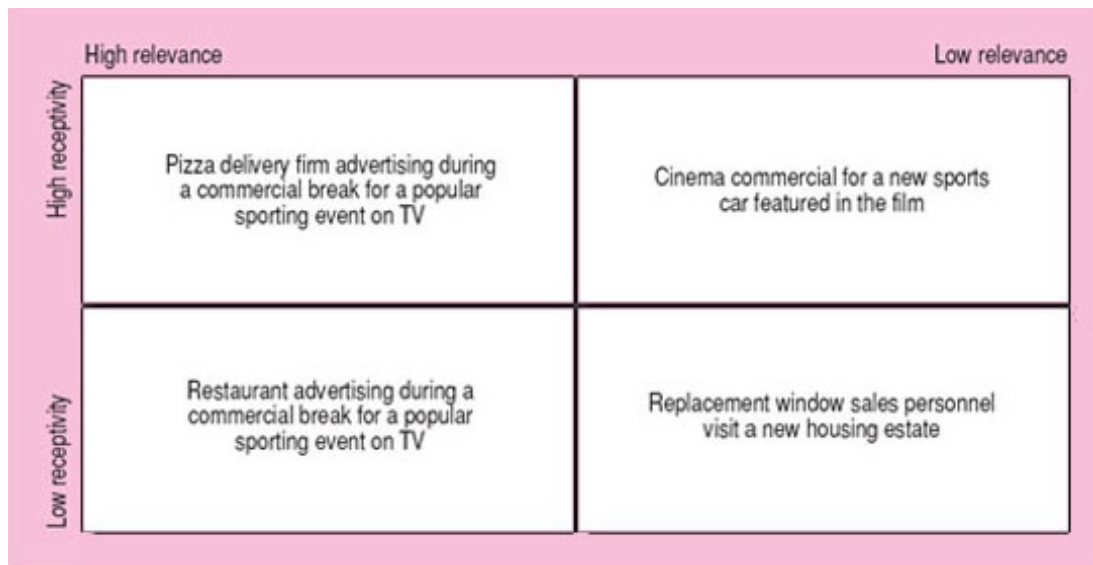


Figure 3 Relevance and receptivity in marketing communications

### Activity 2

Review the brand contact checklist you completed in the previous activity. How do the answers reflect the issues of relevance and receptivity? What might the organisation do differently to take these factors into account more effectively?

### Answer

You might reason that the difference between relevance and receptivity, at least in practical terms, is difficult to maintain. One way to distinguish them is to think of relevance as related to communication content, and receptivity as related to timing and technique.

## 4 Conclusion

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This section has examined marketing communications' claims to strategic credentials. Historically there have been several barriers to this – the fragmented nature of development and execution in the absence of strategic co-ordination, rivalries between different communications disciplines, and short-termism in the marketing communications industry itself which has led to communications being seen as a tactical rather than strategic resource.

The traditional hierarchy of strategy has, however, been challenged by the increasing importance of brands as a source of competitive advantage. As a result, organisations are recognising communications as a strategic issue and reconfiguring their internal and external relationships accordingly. The traditional distinctions between push, pull and profile strategies (focusing communications on channel intermediaries, end-users, and stakeholders respectively) are giving way to ways of analysing and planning marketing communications which recognise the complexity of how customers receive messages.

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## Acknowledgements

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